

105TH CONGRESS
1ST SESSION

S. 425

To provide for an accurate determination of the cost of living.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 1997

Mr. ROTH (for himself and Mr. MOYNIHAN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To provide for an accurate determination of the cost of
living.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Cost-of-Living Board
5 Act of 1997”.

6 **SEC. 2. COST-OF-LIVING ADJUSTMENTS.**

7 Title XI of the Social Security Act (42 U.S.C. 1301
8 et seq.) is amended by adding at the end the following:

1 PART D—COST-OF-LIVING ADJUSTMENTS

2 “DETERMINATION OF INFLATION ADJUSTMENT

3 “SEC. 1180. (a) IN GENERAL.—The Cost-of-Living
4 Board established under section 1181 shall each calendar
5 year after 1996 attempt to determine a single percentage
6 increase or decrease in the cost-of-living which shall apply
7 to any cost-of-living adjustment taking effect during the
8 next calendar year.

9 “(b) ADOPTION OR REJECTION OF PERCENTAGE.—

10 “(1) ADOPTION.—

11 “(A) IN GENERAL.—If the Cost-of-Living
12 Board adopts by majority vote a single percent-
13 age increase or decrease under subsection (a),
14 then, notwithstanding any other provision of
15 law, any cost-of-living adjustment to take effect
16 during the following calendar year shall be
17 made by using such percentage and not by
18 using the change in the Consumer Price Index
19 (or any component thereof).

20 “(B) APPROPRIATE MODIFICATIONS.—The
21 Cost-of-Living Board shall make appropriate
22 modifications to the single percentage applied to
23 any cost-of-living adjustment if—

24 “(i) the period during which the
25 change in the cost-of-living is measured for

1 such adjustment is different than the pe-
 2 riod used by the Cost-of-Living Board; or
 3 “(ii) the adjustment is based on a
 4 component of an index rather than the en-
 5 tire index.

6 “(2) REJECTION.—If the Cost-of-Living Board
 7 fails by majority vote to adopt a single percentage
 8 increase or decrease under subsection (a) for any
 9 calendar year, then any cost-of-living adjustment to
 10 take effect during the following calendar year shall
 11 be determined without regard to this part.

12 “(c) REPORT.—Not later than November 1 of each
 13 year, the Cost-of-Living Board shall submit a report to
 14 the President and Congress containing a detailed state-
 15 ment with respect to—

16 “(1) the percentage (if any) agreed to by the
 17 Board under subsection (a); and

18 “(2) the decision of the Board on whether or
 19 not to adopt such a percentage.

20 “(d) JUDICIAL REVIEW.—Any determination by the
 21 Cost-of Living Board under subsection (a) or (b)(1)(B)
 22 shall not be subject to judicial review.

23 “(c) DEFINITION OF COST-OF-LIVING ADJUST-
 24 MENT.—In this part, the term ‘cost-of-living adjustment’
 25 means any adjustment under any of the following which

1 is determined by reference to any Consumer Price Index
 2 (or any component thereof):

3 “(1) The Internal Revenue Code of 1986.

4 “(2) Titles II, XVI, XVIII, and XIX of this
 5 Act.

6 “(3) Any other Federal program.

7 “COST-OF-LIVING BOARD

8 “SEC. 1181. (a) ESTABLISHMENT OF BOARD.—

9 “(1) ESTABLISHMENT.—There is established a
 10 board to be known as the Cost-of-Living Board (in
 11 this section referred to as the ‘Board’).

12 “(2) MEMBERSHIP.—

13 “(A) COMPOSITION.—The Board shall be
 14 composed of 5 members of whom—

15 “(i) 1 shall be the Chairman of the
 16 Board of Governors of the Federal Reserve
 17 System;

18 “(ii) 1 shall be the Chairman of the
 19 President’s Council of Economic Advisers;
 20 and

21 “(iii) 3 shall be appointed by the
 22 President, by and with the advice and con-
 23 sent of the Senate.

24 The President shall consult with the leadership
 25 of the House of Representatives and the Senate

1 in the appointment of the Board members
2 under clause (iii).

3 “(B) EXPERTISE.—The members of the
4 Board appointed under subparagraph (A)(iii)
5 shall be experts in the field of economics and
6 should be familiar with the issues related to the
7 calculation of changes in the cost of living. In
8 appointing members under subparagraph
9 (A)(iii), the President shall consider appoint-
10 ing—

11 “(i) former members of the Presi-
12 dent’s Council of Economic Advisers;

13 “(ii) former Treasury department offi-
14 cials;

15 “(iii) former members of the Board of
16 Governors of the Federal Reserve System;

17 “(iv) other individuals with relevant
18 prior government experience in positions
19 requiring appointment by the President
20 and Senate confirmation; and

21 “(v) academic experts in the field of
22 price statistics.

23 “(C) DATE.—

24 “(i) NOMINATIONS.—Not later than
25 30 days after the date of enactment of the

Cost of Living Board Act of 1997, the President shall submit the nominations of the members of the Board described in subparagraph (A)(iii) to the Senate.

“(ii) SENATE ACTION.—Not later than 60 days after the Senate receives the nominations under clause (i), the Senate shall vote on confirmation of the nominations.

“(3) TERMS AND VACANCIES.—

“(A) TERMS.—A member of the Board appointed under paragraph (2)(A)(iii) shall be appointed for a term of 5 years, except that of the members first appointed under that paragraph—

“(i) 1 member shall be appointed for a term of 1 year;

“(ii) 1 member shall be appointed for a term of 3 years; and

“(iii) 1 member shall be appointed for a term of 5 years.

“(B) VACANCIES.—

“(i) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made

1 and shall be subject to any conditions
2 which applied with respect to the original
3 appointment.

4 “(ii) FILLING UNEXPIRED TERM.—An
5 individual chosen to fill a vacancy shall be
6 appointed for the unexpired term of the
7 member replaced.

8 “(C) EXPIRATION OF TERMS.—The term
9 of any member appointed under paragraph
10 (2)(A)(iii) shall not expire before the date on
11 which the member’s successor takes office.

12 “(4) INITIAL MEETING.—Not later than 30
13 days after the date on which all members of the
14 Board have been appointed, the Board shall hold its
15 first meeting. Subsequent meetings shall be deter-
16 mined by the Board by majority vote.

17 “(5) OPEN MEETINGS.—Notwithstanding sec-
18 tion 552b of title 5, United States Code, or section
19 10 of the Federal Advisory Committee Act (5 U.S.C.
20 App.), the Board may, by majority vote, close any
21 meeting of the Board to the public otherwise re-
22 quired to be open under that section. The Board
23 shall make the records of any such closed meeting
24 available to the public not later than 30 days of that
25 meeting.

1 “(6) QUORUM.—A majority of the members of
2 the Board shall constitute a quorum, but a lesser
3 number of members may hold hearings.

4 “(7) CHAIRPERSON AND VICE CHAIRPERSON.—
5 The Board shall select a Chairperson and Vice
6 Chairperson from among the members appointed
7 under paragraph (2)(A)(iii).

8 “(b) POWERS OF THE BOARD.—

9 “(1) HEARINGS.—The Board may hold such
10 hearings, sit and act at such times and places, take
11 such testimony, and receive such evidence as the
12 Board considers advisable to carry out the purposes
13 of this part.

14 “(2) INFORMATION FROM FEDERAL AGEN-
15 CIES.—The Board may secure directly from any
16 Federal department or agency such information as
17 the Board considers necessary to carry out the pro-
18 visions of this part, including the published and
19 unpublished data and analytical products of the Bu-
20 reau of Labor Statistics. Upon request of the Chair-
21 person of the Board, the head of such department
22 or agency shall furnish such information to the
23 Board.

24 “(3) POSTAL SERVICES.—The Board may use
25 the United States mails in the same manner and

1 under the same conditions as other departments and
2 agencies of the Federal Government.

3 “(4) GIFTS.—The Board may accept, use, and
4 dispose of gifts or donations of services or property.

5 “(c) BOARD PERSONNEL MATTERS.—

6 “(1) COMPENSATION OF MEMBERS.—Each
7 member of the Board who is not otherwise an officer
8 or employee of the Federal Government shall be
9 compensated at a rate equal to the daily equivalent
10 of the annual rate of basic pay prescribed for level
11 III of the Executive Schedule under section 5315 of
12 title 5, United States Code, for each day (including
13 travel time) during which such member is engaged
14 in the performance of the duties of the Board. All
15 members of the Board who otherwise are officers or
16 employees of the United States shall serve without
17 compensation in addition to that received for their
18 services as officers or employees of the United
19 States.

20 “(2) TRAVEL EXPENSES.—The members of the
21 Board shall be allowed travel expenses, including per
22 diem in lieu of subsistence, at rates authorized for
23 employees of agencies under subchapter I of chapter
24 57 of title 5, United States Code, while away from

1 their homes or regular places of business in the per-
2 formance of services for the Board.

3 “(3) STAFF.—

4 “(A) IN GENERAL.—The Chairperson of
5 the Board may, without regard to the civil serv-
6 ice laws and regulations, appoint and terminate
7 an executive director and such other additional
8 personnel as may be necessary to enable the
9 Board to perform its duties. The employment of
10 an executive director shall be subject to con-
11 firmation by the Board.

12 “(B) COMPENSATION.—The Chairperson
13 of the Board may fix the compensation of the
14 executive director and other personnel without
15 regard to the provisions of chapter 51 and sub-
16 chapter III of chapter 53 of title 5, United
17 States Code, relating to classification of posi-
18 tions and General Schedule pay rates, except
19 that the rate of pay for the executive director
20 and other personnel may not exceed the rate
21 payable for level IV of the Executive Schedule
22 under section 5316 of such title.

23 “(4) DETAIL OF GOVERNMENT EMPLOYEES.—

24 Any Federal Government employee may be detailed
25 to the Board without additional reimbursement

1 (other than the employee's regular compensation),
 2 and such detail shall be without interruption or loss
 3 of civil service status or privilege.

4 “(5) PROCUREMENT OF TEMPORARY AND
 5 INTERMITTENT SERVICES.—The Chairperson of the
 6 Board may procure temporary and intermittent serv-
 7 ices under section 3109(b) of title 5, United States
 8 Code, at rates for individuals which do not exceed
 9 the daily equivalent of the annual rate of basic pay
 10 prescribed for level V of the Executive Schedule
 11 under section 5316 of such title.

12 “(d) TERMINATION.—Section 14 of the Federal Advi-
 13 sory Committee Act (5 U.S.C. App.) shall not apply to
 14 the Board.

15 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
 16 are authorized to be appropriated to the Board such sums
 17 as are necessary to carry out the purposes of this part.”.

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